



**Director of
Central
Intelligence**

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National Intelligence Daily (Cable)

21 September 1982

State Dept. review
completed

DIA review
completed.

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CPAS NIDC 82-221C

21 September 1982

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LEBANON: Amin Jumayyil's Prospects

Barring another untoward event in Lebanon, Amin Jumayyil, elder brother of the slain President-elect, appears certain to win the presidential election today.

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Amin is different both in personality and temperament from his late brother. He is regarded by the Lebanese as more of a pragmatist willing to make political compromises. A behind-the-scenes operator, he has built a solid political base in his constituency in Mount Lebanon.

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Amin--a political moderate--represents the older and more conservative wing of the Phalange party. This reputation makes him more acceptable to many factions than was his hardline and hot-headed brother.

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Many political leaders who had earlier opposed Bashir probably believe that Amin is open to greater influence than his brother. Moreover, there is now a near unanimous view in Lebanon that the Israeli presence is destructive and can only be removed by presenting a united political front.

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At the same time, his moderation has alienated many of the younger, more extremist Christians who make up the majority of the militia. Under Bashir, the influence of the militia eclipsed the political wing of the party, and Amin may have difficulty in restoring the dominance of the politburo.

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Jumayyil has wide-ranging political contacts with most of Lebanon's factions and with the Syrian and PLO leaderships. Although his approach toward the Palestinians is more moderate than Bashir's, he is determined that a solution to their problems not be reached at Lebanon's expense and that the remaining Palestinians must be subordinate to the central government.

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Amin favors a political dialogue with the Syrians to settle their differences but remains opposed to Syrian involvement in Lebanese internal affairs. In 1980 he rejected a proposed security arrangement with them.

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MEXICO: Possible Industrial Shutdowns

//Shortages of imported raw materials may cause production cuts, which would result in additional unemployment and inflationary pressures.// [REDACTED]

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Imports dropped by 25 percent from January to July, because of the currency devaluation and tightened controls. They fell even faster in August, when the Bank of Mexico stopped foreign currency sales for private-sector imports and foreign suppliers cut trade credits. Since 1 September, imports have been cut to a trickle because access to dollars on the free market has been eliminated, and the government has not yet issued newly required import licenses. [REDACTED]

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Comment: Until now, Mexico has been able to maintain industrial production largely by working off large inventories built up when the peso was overvalued, and by cutting imports for consumers and new investment. While it is unlikely that Mexico will permit the shutdown of refining at the state oil company and other key operations, it is clear that shortages will soon cut production at nonessential industrial firms. To the extent output falls and jobs are eliminated, labor support for the government's policy will decline, and consumer discontent will grow. [REDACTED]

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SWEDEN: Social Democrats Win Election

The results of the parliamentary election on Sunday end six years of government by shifting non-Socialist coalitions and returns the Social Democrats under Olof Palme to power.

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Nearly complete returns give the Social Democrats a clearcut 166-163 margin over the combined non-Socialist opposition in the new parliament. Strong gains by the Conservatives were more than offset by major losses for the Center and Liberal Parties, which had constituted the minority government since May 1981. The Communist Party, which kept its 20 parliamentary seats, has given assurances it will never support a no-confidence motion that would bring a non-Socialist coalition to power.

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Palme will take office as Prime Minister after parliament reconvenes next month. He has assured business and non-Socialist leaders that his government will try to formulate a program for economic recovery that can be supported by a broad consensus.

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Comment: A Palme government is likely to place particular emphasis on reducing unemployment and will probably support a higher level of spending on public works projects. Palme has indicated, however, that his actions will be constrained by the need to curb the soaring budget deficit.

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There will be no departure from Sweden's traditional policy of nonalignment backed by a strong defense. Although the new government is likely to disagree from time to time with US policies in Central America, it will be no less willing than its predecessor to condemn Soviet actions in Poland and Afghanistan and to respond vigorously to any Soviet violations of Sweden's territorial waters.

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TURKEY: Draft Constitution To Be Submitted

The constituent assembly is scheduled to complete its work on the constitution within the next several days and refer its draft for approval to the ruling generals of the National Security Council. The generals are expected to submit the document to popular vote in early November. A press report indicates that temporary articles attached to the draft call for the automatic elevation of General Evren, chief of the ruling council and Head of State, to the presidency. [REDACTED]

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Comment: The submission of the document to the ruling council will meet the next deadline in the generals' self-imposed timetable to restore civilian rule by the spring of 1984. Mounting foreign and domestic criticism of some of the constitution's more restrictive provisions--points on which the ruling council shows no signs of compromising--could, however, cause the generals to remain in power longer than anticipated. If the press report about Evren's presidential prospects proves to be true, criticism of the military regime will only intensify. [REDACTED]

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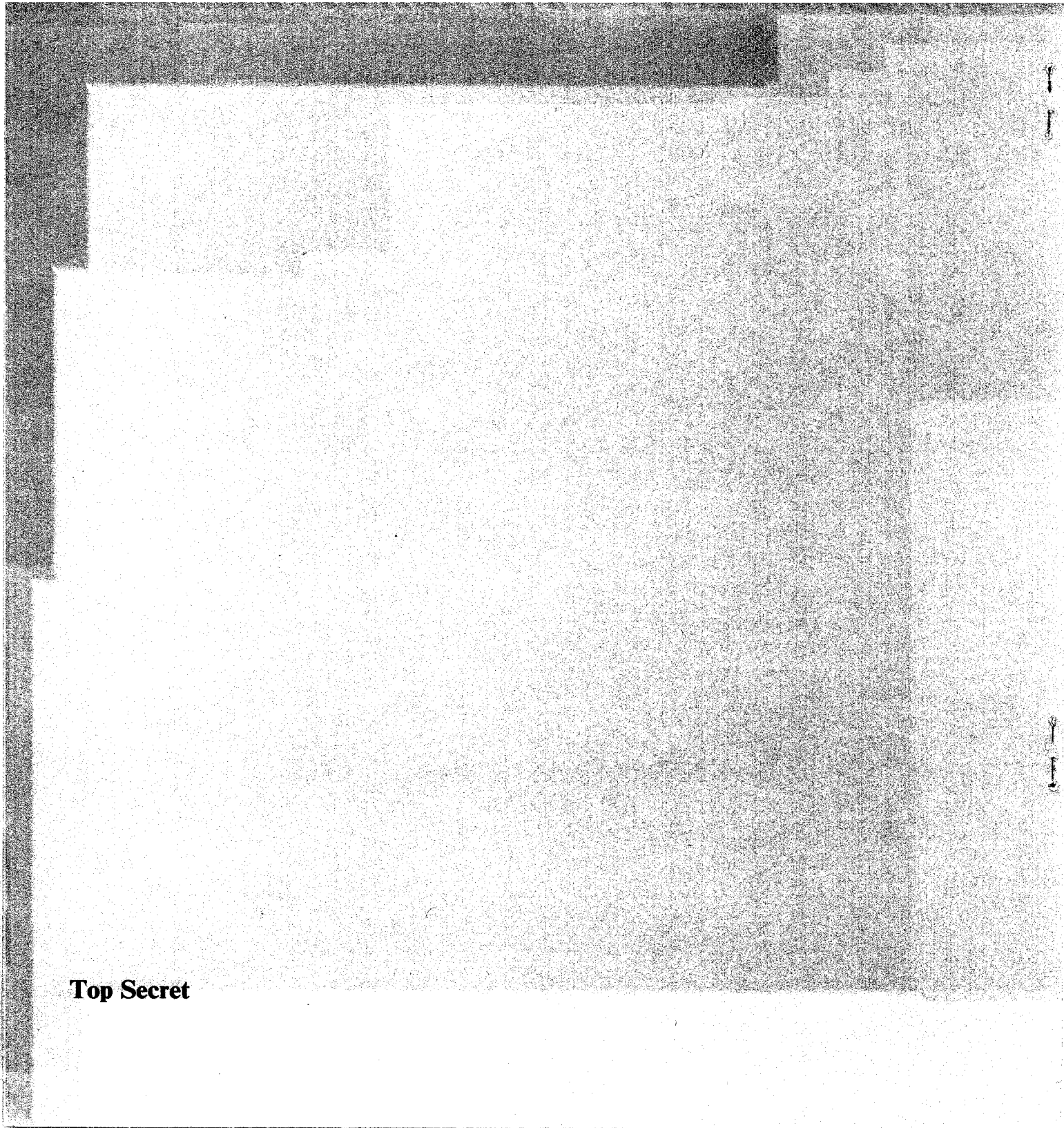
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